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November 20, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, NW - Room 222
Washington, DC 20554

RE: *Ex Parte* Notice
CC Docket No.95-116

Dear Ms. Salas:

On November 19, 1998, Tracy Armbruster of the ALLTEL Corporation, Mark Jenn of TDS Telecom, Clark Kidder of MCT Telecom, and John Hunter of the United States Telephone Association (USTA), together representing USTA, met with Kris Monteith, Rhonda Lien, Lloyd Collier, Ana Janckson, John Scott, Chris Barnekov, and Andre Rausch of the Commission.

The purpose of the meeting was to discuss USTA's Petition for Clarification and/or Reconsideration of the Commission's *Third Report and Order* regarding Local Number Portability in the above-referenced proceeding. The attached material was part of the discussion and was distributed during the meeting.

An original and two copies of this *ex parte* notice are being filed in the Office of the Secretary. Please include it in the public record of the above-referenced proceedings.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John W. Hunter".
John W. Hunter
Senior Counsel

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Attachment (1)

cc (w/o attach.): K. Monteith
J. Scott

R. Lein
c. Barnekov

L. Collier
A. Rausch

A. Janckson



LOCAL NUMBER PORTABILITY COST RECOVERY

FCC 3rd Report & Order released 5/12/98 raises numerous questions about how small and mid-size LECs will recover LNP costs whether they have active competition in their area or not.

USTA filed Petition for Clarification and/or Reconsideration with FCC on 7/29/98 addressing 5 main issues:

1. Recovery Period

- Order provides for LECs implementing LNP to recover their costs from end users over 5 year period beginning 2/1/99. What if they start in 2002?
- USTA asks for clarification that LEC has full 5 years to recover carrier specific LNP costs from end users regardless of when costs begin.

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LOCAL NUMBER PORTABILITY COST RECOVERY (CONT.)

2. Cost Adjustment During Period

- Order requires LECs implementing LNP to set carrier-specific costs at beginning of 5 year period. This would require levelizing future costs.
- USTA asks FCC to clarify that LECs are able to adjust end user charges during the period, and to reconsider the levelizing requirement.

3. Data Base Query Costs

- Order only allows LECs implementing LNP to recover carrier-specific costs
- LECs not implementing LNP whose customers call a ported number must initiate a query to the regional database to obtain correct routing. A cost is incurred..... but there is no way in the order to recover these costs.
- USTA asks the FCC to permit recovery of these costs generally - not from end user.



LOCAL NUMBER PORTABILITY COST RECOVERY (CONT.)

4. Regional Database Administrator Costs

- Order requires that costs of regional database administrator be recovered from "all telecommunications carriers providing service" in region....whether they are implementing LNP or not.
- LECs not implementing LNP have no way to recover these costs. USTA asks the FCC to provide a recovery mechanism.

5. Procedures for Opening NXX Codes

- Order did not address recovery of costs arising from opening NXX codes for portability. Restricted code assignment is coming (e.g. 1000 block or one-at-a-time options), and will increase costs.
- USTA asks FCC to provide for adequate cost recovery for all LECs.